

Notice of Continuation Coverage Rights City of Minneapolis Health Care Plans

Introduction

This notice contains important information about your right to continue medical, dental, HRA/VEBA, health care flexible spending account, and life insurance coverage under the City's group benefit plans ("the Plans"), as well as other health coverage alternatives that may be available to you through the Health Insurance Marketplace. **This notice generally explains continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.** Please read the information contained in this notice very carefully.

The right to continuation coverage was created by a federal law (the Consolidated Omnibus Budget Reconciliation Act of 1985 or COBRA) and by Minnesota state continuation law. Continuation coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage. For additional information about your rights and obligations under the Plan and under federal and state law, you should review the Plans' certificates of coverage or summary plan descriptions or contact the City of Minneapolis Human Resources Department.

Continuation Coverage

Continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events as listed below:

- Reduction of hours of employment (including a layoff or an unpaid leave of absence);
- End of employment for any reason (voluntary or involuntary) other than gross misconduct;
- Divorce or legal separation; or
- A child ceasing to be eligible for coverage under the Plan as a "dependent child".

Continuation Process

After the City of Minneapolis Human Resources Department becomes aware that a qualifying event has occurred, continuation coverage will be offered to each qualified beneficiary. Each qualified beneficiary will have an independent right to elect continuation coverage. Covered employees may elect continuation coverage on behalf of their spouses, and parents may elect continuation coverage on behalf of their children. Qualified beneficiaries must apply for continuation coverage within 60 days from the date they would lose active Plan coverage because of one of the events described above, or 60 days from the date they receive notice of their right to continue, whichever is later. In most instances, qualified beneficiaries who elect continuation coverage must pay for continuation coverage.

Continuation Rights

When the qualifying event is the end of employment or reduction of the employee's hours of employment (including an unpaid leave of absence), continuation coverage generally lasts for up to 18 months.

When the qualifying event is a dependent child's losing eligibility as a dependent child, continuation coverage lasts for up to 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment ends, continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months).

Disability extension of 18-month period of continuation coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify the City of Minneapolis Human Resources Department in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of continuation coverage and must last at least until the end of the 18-month period of continuation coverage.

Second qualifying event extension of 18-month period of continuation coverage

If your family experiences another qualifying event while receiving 18 months of continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

Minnesota State Continuation

State law permits an employee's spouse and dependent children to continue coverage until either the spouse is covered by another group plan or until coverage would otherwise have terminated under the plan, if the qualifying event is divorce or legal separation or death of the employee.

The employee's dependent children may continue until they cease to qualify as eligible dependents under the Plan or for 36 months, whichever is longer.

State continuation law also provides that an employee who becomes totally disabled while employed by the City, and is absent from work because of the disability, may continue coverage for as long as the disability persists.

Health Insurance Marketplace

There may be coverage options other than continuation coverage for you and your family. After October 1, 2013, you will be able to buy coverage through the Health Insurance Marketplace. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Being eligible for COBRA does not limit your eligibility for coverage for a tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally does not accept late enrollees, if you request enrollment within 30 days of the date they active Plan coverage ends.

Notification Requirements

For divorce or legal separation of the employee and spouse or a child's losing eligibility for coverage as a dependent child, you must notify the City of Minneapolis Human Resources Department within 60 days after date coverage would end due to the qualifying event occurs. For the Social Security Administration's determination of a disability, you must notify the City of Minneapolis within 60 days of the determination date. Your notification must be writing and must be addressed to City of Minneapolis Human Resources/Benefits, 250 South 4th Street, Room 100, Minneapolis, MN 55415-1339.

Conversion

At the end of the continuation period, the covered person will then be allowed to convert to an individual health plan (if any) offered by the insurance provider at that time.

If You Have Questions

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the City of Minneapolis Human Resources Department informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the City of Minneapolis.

Plan Contact Information

Information concerning your group insurance plans and continuation coverage can be obtained by writing to City of Minneapolis, Human Resources/Benefits, 250 South 4th Street, Room 100, Minneapolis, MN 55415-1339, or by calling 612-673-3333.